Testimony of the

New York City Department of Housing Preservation and Development to the New York State Joint Committees on Housing February 18, 2024

Good morning, Chair Kavanagh, Chair Persaud, and Chair Cleare; as well as members of the New York State Senate Committees on Housing, Construction & Community Development; on Social Services; and on Aging. My name is Ahmed Tigani, First Deputy Commissioner of the New York City Department of Housing Preservation and Development (HPD). Thank you for the opportunity to discuss the pivotal issue of rental assistance in the State of New York.

We appreciate the New York State Senate's interest in expanding the availability of residential rental assistance to prevent evictions, homelessness, housing instability, and rent burden through a variety of legislative initiatives introduced thus far during this year's state session. As the members of the State Senate are well aware, New York City's housing crisis is felt far and wide. The net rental vacancy rate in 2023 was 1.41%--one of the lowest vacancy rates recorded since the New York City Housing and Vacancy Survey began.

The data in the Housing and Vacancy Survey suggests that we must continue to do more:

- The survey showed that there was a very limited supply across all price ranges, and that of the few units that were available, most would not be affordable to the typical New Yorker.
- Among households without rental assistance who earned less than \$50,000, 86% were severely rent burdened.
- 13% of New Yorkers reported missing a rent payment in the last year; of these, 29% were still behind on rent. 12% of renter households reported food insecurity.

City agencies offer rental assistance directly to New Yorkers through several means. First, HPD and the New York City Housing Authority (NYCHA), acting as Public Housing Authorities, administer Section 8 vouchers allocated by the federal government. The Department of Social Services (DSS), administers the City Fighting Homelessness and Eviction Prevention Supplement rental subsidy, better known as CityFHEPS. CityFHEPS is a component of the larger strategy of providing an integrated continuum of client services to create a path to long-term, stable housing for low-income New Yorkers. CityFHEPS is the largest municipally funded rental subsidy in the nation, and a vital tool in the agency's pursuit to promote housing stability for all New Yorkers.

On rent freeze programs, HPD, along with the Department of Finance (DOF) administers the Senior Citizen Rent Increase Exemption (SCRIE) and Disabled Rent Increase Exemption programs (DRIE). These programs are targeted towards eligible low-income New Yorkers living

in rent stabilized units to ensure they can remain in their homes by freezing their rent. Both HPD and DOF assists over 70,000 New Yorkers each year through these programs. In addition, NYC Aging works to connect older adults to SCRIE, Section 8, Housing Connect, and other resources. Aging Connect is NYC Aging's in-house call and information center, where older adults can access information about all of their resources.

HPD, DOF and NYC Aging have incredible outreach teams that hosts and attends hundreds of events each year. We are always proud to turn out to constituent-facing events—if you invite our agencies, we will be there.

Turning to another topic of today's hearing, the City supports the State Senate's mission to increase access to vouchers for more New Yorkers. Rental assistance is a necessary tool to combat the affordability crisis. In the past, there have been concerns about the administration of a new program including: its potential costs, administrative capacity, logistical complications, and long-term stability. In addition, we do worry about drastically increasing the number of new vouchers into a limited housing market with new voucher-holders, without also addressing the supply-side tools necessary to make vouchers effective. If the program simply created fiercer competition between new vouchers and vulnerable existing voucher-holders, then we would be left with a less efficient solution and more challenges. Finally, we would want to consider the difficulties that could be magnified if a program was created and did not have the certainty of a long horizon and with expectations for renewals down the road.

We appreciate working with Chair Kavanagh on the legislative bill text in past years and look forward to ensuring that all parties that participate in a voucher program--including tenants, owners, and advocates—can easily navigate the system and its ongoing administration.

We also appreciate the Senate's leadership in expanding rental assistance opportunities throughout New York State, especially during a time when federal resources for housing vulnerable New Yorkers may be jeopardized. As we continue these vital discussions with the state legislature, we must also continue to lay the groundwork to increase the supply of housing, especially affordable housing, citywide. The legislature was pivotal in passing an extension for 421-a and passed landmark legislation to create 485-x last session—two key programs to spur the creation of affordable housing. Additionally, the State's support to see City of Yes for Housing Opportunity succeed on the local level was pivotal to unlocking new housing opportunity citywide. This year, we will continue to build on these efforts by advancing the over 12,000 units of new and preserved housing on public sites initiated through the Administration's 24 in 24 initiative and adding to that list with new RFPs and designations. Without these and other continued efforts to expand the supply of housing, New Yorkers with rental assistance will continue to struggle to find safe, equitable, and high-quality housing options throughout the city.

Thank you again for the opportunity to testify. We look forward to continuing this partnership moving forward. I am happy to take any questions you may have.